



## The State of New Hampshire Insurance Department

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# 2004 Explanation of the Ten Standard Medicare Supplement (Medigap) Insurance Plans

Buying a Medigap policy is an important decision. Only you can decide which Medigap policy is right for you. All policies cover the basic benefits listed. However, additional benefits are covered under certain policies as listed under the optional benefits section noted below. We recommend you look for a policy that gives you the coverage you need. Keep in mind that insurance companies may charge different premium amounts for the same Medigap policy.

### **REMEMBER:**

Regardless of who you buy a Medigap policy from, the coverage will be the same for each type of plan. For example, if you choose to purchase plan C, all plan C's will have identical coverage, but one company may charge more for plan C than another company charges for plan C. Shop around for the best price!

**Basic Benefits** - These benefits are covered by all ten Medicare supplement plans. Basic benefits include:

***Blood*** - The first three pints of blood per calendar year (or equal amounts of packed red blood cells) unless this blood is replaced.

***Hospitalization (Part A)*** - Medicare supplement plans will pay the Part A co-insurance or co-payment amount of \$219 per day for days 61-90, and \$438 per day for days 91-150, depending upon the lifetime reserve days (lifetime reserve days are sixty extra days of Medicare Part A coverage provided to you when you are confined in a hospital for more than 90 days. You do not have to use the 60 reserve days all at once. However,

these reserve days are only given once in a lifetime, therefore, once you use them, they are gone). All policies cover 100 percent of the cost for up to 365 more days of a hospital stay during your lifetime, after you use up all your Medicare hospital benefits.

**Medical Expenses (Part B)** - Part B co-insurance or co-payment amount generally will pay 20 percent of the Medicare-approved expenses, after you satisfy your \$100 yearly deductible.

**Optional Benefits** - The ten standard plans carry a variety of optional/additional benefits:

**At-Home Recovery (Plans D, G, I, and J)**- Medicare provides coverage for certain at-home help with daily activities, like bathing and dressing, if you are already getting Medicare covered home health visits. They will pay for up to 8 weeks of at-home help after skilled care is no longer needed. This benefit will pay up to \$40 per visit and \$1,600 each year.

**Basic Drugs (\$1, 250 Limit) (Plans H and I)**- This benefit pays for 50 percent of the actual charges for prescription drugs, after you satisfy the \$250 outpatient calendar-year deductible. Maximum benefit: \$1,250 each calendar year.

**Extended Drugs (\$3,000 Limit) (Plan J)**- This benefit pays for 50 percent of the actual charges for prescription drugs, after you satisfy the \$250 outpatient calendar-year deductible. Maximum benefit: \$3,000 each calendar year.

**Foreign Travel Emergency (Emergency care outside the US) (Plans C, D, E, F, G, H, I and J)**- This benefit covers 80 percent of the cost of emergency care during the first 60 days of each trip outside the United States, after you satisfy the \$250 emergency medical care calendar-year deductible. The benefit maximum is limited to \$50,000 in your lifetime.

**Part A Deductible (Plans B, C, D, E, F, G, H, I and J)**- The Medicare deductible for Part A (hospitalization) is \$876 per \*benefit period. Medicare supplement plans with the Part A deductible benefit will pay this deductible.

**Part B Deductible (Plans C, F, and J)-** The Medicare deductible for Part B (medical) is \$100 in a calendar year. Plans covering the Part B deductible will pay the \$100 deductible.

**Part B Excess (100 percent) (Plans F, I, and J)-** Plans with this benefit will pay 100 percent of the difference between the actual charges and the Medicare-approved amount for Part B services. Such plans will pay for physician expenses that exceed the Medicare-approved amount, but still fall within charge limitations established by Medicare.

**Part B Excess (80 percent) (Plan G)-** Plans with this benefit will pay 80 percent of the excess charges (described in Part B excess above).

**Preventive Care (Plans E and J)-** This option pays up to \$120 per year for procedures not covered by Medicare, but determined by your physician to be medically appropriate. Examples include hearing tests, diabetes screenings, physical examinations, serum cholesterol screenings and thyroid function tests.

**Skilled Nursing Co-insurance (Plans C, D, E, F, G, H, I and J)-** Medicare pays 100 percent of approved skilled nursing care for days 1 to 20, and then it pays all but \$109.50 per day (the co-insurance) for days 21 - 100. Medicare supplement plans with this benefit pay the \$109.50 per day co-insurance for days 21-100 in a skilled nursing facility.

\*Benefit period - The way that Medicare measures your use of hospital and skilled nursing facility (SNF) services. A benefit period begins the day you go to a hospital or skilled nursing facility. The benefit period ends when you haven't received any hospital or skilled care (SNF) for 60 days in a row. If you go into the hospital after one benefit period has ended, a new benefit period begins. You must pay the inpatient hospital deductible for each period. There is no limit to the number of benefit periods you can have.